



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve Deferred Compensation Plan Agreement between Great Western Bank and the City of Lodi

MEETING DATE February 5, 1992

PREPARED BY: City Clerk

RECOMMENDED ACTION: That the City Council approve the Deferred Compensation Plan Agreement dated April 1, 1991 between Great Western Bank and the City of Lodi and authorize the Mayor and City Clerk to execute the agreement on behalf of the City.

BACKGROUND INFORMATION: In March, 1988 the City of Lodi entered into a three-year Deferred Compensation Plan Agreement with Great Western Bank. Some months ago a proposed new agreement was presented for review by the Deferred Compensation Committee.

In 1990 legislation was introduced in the **House** of Representatives and the Senate which would have amended the Federal Deposit Insurance Act coverage from \$100,000 per city participant to not more than \$100,000 of the aggregate amount of deposits for all plan participants. This legislation was introduced in an effort to reduce potential liability of the United States for losses from the deposit insurance funds.

The City of Lodi Deferred Compensation Committee delayed its review of the proposed agreement with Great Western Bank to see whether or not this legislation would pass because of the significant impact it would have on our plan and its participants. This proposed legislation did not pass.

The Committee has now completed its review of the proposed agreement and recommends its approval.

Changes from the 1988 Agreement include the following:

1988 AGREEMENT

Term of agreement - 3 years

APPROVED: _____

THOMAS A. PETERSON
City Manager



Investment Vehicles

Great Western agrees to provide the herein described services for AGENCY (City of Lodi) with the following investment vehicles.

A Great Western Savings Indexed Account ("GWSIA").

The investment vehicle identified as GWSIA shall be savings accounts with GREAT WESTERN. Each such account shall be subject to rules, regulations and statutes to which GREAT WESTERN is subject, as promulgated by the Federal Home Loan Bank Board (FHLBB), the Federal Savings and Loan Insurance Corporation (FSLIC) and other such regulatory authorities.

GREAT WESTERN agrees to accept PLAN funds for investment in GWSIA, such funds to earn interest as follows:

- (1) The rate of interest for all funds received during the first Contract Year, as defined below shall yield the highest of:
 - a. Yield 9.627% (Rate 9.10%)
 - b. The over-the-counter yield quotation for the five year United States Government Treasury Note, as set forth on the day before the last business day of each calendar quarter. This yield will be guaranteed for the succeeding calendar quarter regardless of any subsequent change in the five year United States Treasury Note yield.
 - c. Such other yield declared by Great Western, not less than (1)a or (1)b.
- (2) The rate of interest for all funds for Contract Years subsequent to the first Contract Year shall yield the higher of:
 - a. The over-the-counter yield quotation for the five year United States Treasury Note, as set forth on the day before the last business day of each calendar quarter. This yield will be guaranteed for the succeeding calendar quarter, regardless of any subsequent change in the five year United States Treasury Note yield.
 - b. Such other yield declared by Great Western not less than (2)a.

For purposes of this Agreement, "Contract Year" shall mean the period of time between the effective date of the Contract, and the same day of the month in each succeeding year; the first Contract Year, however, shall be extended, if necessary in order to ensure that every Contract Year will end on the last day of a calendar month.

- (3) Interest will accrue daily, using the 365/360 day method, will be credited monthly, on the last day of the month, and will be automatically reinvested to allow for monthly compounding.

GREAT WESTERN agrees to collateralize any amount of PLAN funds invested in GWSIA in excess of Federal Savings and Loan Insurance Corporation insurance limits per participant, with first deeds of trust on commercial, industrial or residential property. The unpaid outstanding principal balance of the collateral shall be adjusted monthly, and shall in the aggregate, at all times equal or exceed 150 percent of the amount of such funds in excess of FSLIC insurance limits.

1991 AGREEMENT

Proposed Agreement - until such time as terminated by the parties

Investment Vehicles

GREAT WESTERN agrees to provide the herein described services for AGENCY (City of Lodi) with the following investment vehicles.

A. Great Western Sank Indexed Account ("GWBIA").

The investment vehicle identified as GWBIA shall be savings accounts with GREAT WESTERN. Each such account shall be subject to rules, regulations and statutes to which GREAT WESTERN is subject, as promulgated by the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and other such regulatory authorities.

GREAT WESTERN agrees to accept PLAN funds for investment in GWBIA. PLAN funds will earn interest by whichever of the following methods results in the highest rate payable:

- (1) The rate of interest for all funds received during the period of April 1, 1991 through December 31, 1991 of the contract term shall yield the over-the-counter annualized yield quotation for the five year United States Government Treasury Note, determined by reference to representative yields reported in the Wall Street Journal on the last business day of each calendar quarter. This effective annualized yield will be guaranteed for the succeeding calendar quarter regardless of any subsequent change in the five year United States Treasury Note yield.
- (2) The rate of interest for all funds received during the period of January 1, 1992 through March 31, 1996 of the contract term shall be the annualized yield obtained from the use of the over-the-counter rate quotation for the 90 Day United States Government Treasury Bill plus Twenty-five (25) basis points, in effect on the last business day of each calendar quarter. This effective annualized yield will be guaranteed for the succeeding calendar quarter regardless of any subsequent change in the 90 Day United States Treasury Bill yield.
- (3) Such other yield as declared by Great Western and shall not be lower than A.(1) above.

Interest will accrue daily, using the 365/360 day method, will be credited monthly, on the last day of the month, and will be automatically reinvested to allow for the monthly compounding.

B. GREAT WESTERN BANK CERTIFICATE OF DEPOSIT (GWBCD)

Great Western will also make available one, two, three, four and five year certificates of deposit (CD) whose yields are indexed to representative, effective annual yields on one, two, three, four and five year United States Government Treasury Notes. For example, a one year CD will have yield indexed to the one year Treasury Note; a two year CD will have a yield indexed to the two year Treasury Note, etc.

In each case, the effective annualized yields for the one, two, three, four and five year Treasury Notes will be determined by reference to representative yields reported in the Wall Street Journal on the last business day of the calendar quarter. This yield will become the effective annualized yield or the GWBCD for the following quarter.

Interest will accrue daily, using the 365/360 day method, will be credited monthly, on the last day of the month, and will be automatically reinvested to allow for monthly compounding.


Other guidelines are as follows:

1. One Year CD: \$1,000 minimum deposit, 90 day interest penalty for early liquidation (separation from service, plan-to-plan transfers or hardship excluded).
2. Two - Five Year CD: \$1,000 minimum deposit, 180 day interest penalty for early liquidation (separation from service, plan-to-plan transfers or hardship excluded).
3. Participants may invest in no more than four (4) CD's per year.
4. Lump Sum transfers only.

Plan funds invested in the GWBIA or GWBCD options are backed by the full faith and credit of the U. S. Government and are also insured by the Federal Deposit Insurance Corporation, an agency of the Federal Government, up to \$100,000 per participant. Great Western will collateralize any amount invested in the GWBIA and GWBCD in excess of FDIC insurance limits by depositing first deeds of trust on suitable residential property (i.e. one to four unit) with the Federal Home Loan Bank in San Francisco. The unpaid outstanding principal balance of the collateral is adjusted quarterly, and shall in the aggregate, at all times equal or exceed one hundred fifty percent (150%) of the amount of plan funds invested in the GWBIA and GWBCD in excess of FDIC limits.

Agreement for Great Western
February 5, 1992
Page Five

FUNDING: No additional funding other than approved In the 1991-92 Budget.



Alice M. Reinche
City Clerk/Vice Chairperson Lodi
Deferred Compensation Committee

AMR/jmp

AGREEMENT

DEFERRED COMPENSATION

CITY OF LODI

**GREAT
WESTERN**



DEFERRED COMPENSATION PLAN AGREEMENT

This Agreement is effective this 1st day of April 1991, by and between GREAT WESTERN BANK, a Federal Savings Bank, hereinafter referred to as GREAT WESTERN, and the CITY OF LODI hereinafter referred to as AGENCY.

WHEREAS, AGENCY, pursuant to and in compliance with Internal Revenue Code Section 457, has established a Deferred Compensation Plan, hereinafter referred to as PLAN; and

WHEREAS, AGENCY desires to utilize GREAT WESTERN in the performance of certain services in connection with the administration of the PLAN; and

WHEREAS, GREAT WESTERN desires to provide such services subject to the terms and conditions set forth herein;

Now therefore. AGENCY and GREAT WESTERN agree as follows:

1. **TERM:** This Agreement shall remain in effect until such time as it may be terminated by the parties. In the event the Agreement is terminated for "Cause" (which shall mean the failure of either party to perform any or all of its obligations as defined herein), the non-defaulting party shall give the defaulting party written notice, specifying the particulars of the default. If such default is not cured within sixty (60) days from the end of the month in which notice of default is given, the non-defaulting party may terminate the Agreement effective thirty (30) days after the end of the sixty (60) day period.

For purposes of this Agreement, "Contract Year" shall mean the period of time between the effective date of the Contract, and the same day of the month in each succeeding year; the first Contract Year, however, shall be extended, if necessary in order to ensure that every Contract Year will end on the last day of a calendar month.

Notwithstanding the above, this Agreement may be terminated by either party, with or without "Cause" as that term may be defined herein, upon the giving of ninety (90) days written notice to the other party.

2. **FUNDING:** AGENCY may fund this Agreement by forwarding participant deferrals to GREAT WESTERN at such times as it may see fit.

3. **TERMINATION:** Upon the effective date of termination of this Agreement, other than for Cause as defined above, the following shall occur:

- a. GREAT WESTERN shall issue reports to AGENCY detailing the status of **PLAN** assets no later than twenty (20) business days after the end of the month in which termination becomes effective.
- b. AGENCY may request liquidation and withdrawal of **PLAN** assets. If termination is for Cause, GREAT WESTERN shall disburse those funds deposited in GREAT WESTERN, not subject to penalty for early withdrawal, within thirty (30) days of the effective date of termination. Funds deposited in GREAT WESTERN, subject to penalty for early withdrawal, shall be disbursed according to written instructions from AGENCY. Funds invested in mutual funds shall be disbursed as mutually agreed in writing by AGENCY and GREAT WESTERN.

If termination is due to non-renewal of this Agreement, GREAT WESTERN shall disburse those funds deposited in Great Western Savings, not subject to penalty for early withdrawal, within ninety (90) days of the effective date of termination. Funds deposited in Great Western savings, subject to penalty for early withdrawal, shall be disbursed, after deduction of penalty, or left on deposit until maturity, according to written instructions from AGENCY. Mutual Fund Shares shall be disbursed as mutually agreed in writing by AGENCY and GREAT WESTERN. This clause shall not serve to affect normal distributions to participants pursuant to **PLAN**.

4. **DEFERRALS:** The minimum participant deferral per pay period shall be not less than \$10.00.

AGENCY agrees to:

- a. Cause appropriate deductions to be made from such payroll(s) as may be applicable.
- b. Send by check or wire transfer the amount of the total deductions to :

Great Western Bank
Deferred Compensation Department
P.O. Box 6350
Northridge, California 91328

or to such other facility or in such other manner as may be mutually agreed upon between GREAT WESTERN and AGENCY.

- c. Provide, in such form as agreed upon by AGENCY and GREAT WESTERN, a deferral listing with respect to participant sub-accounts to include not less than the following:

1. Name of Participant
2. Social Security Number of participant
3. Amount to be credited to participant's sub-account (s)

GREAT WESTERN agrees to:

- d. Establish a sub-account for each participant.
 - e. Credit the amounts sent by AGENCY to the sub-account(s) of the various participants and to selected investment vehicles in accordance with the latest written instructions on file with GREAT WESTERN.
 - f. Funds invested in the option described herein as "GWBIA" will accrue interest as of the date of receipt by GREAT WESTERN.
 - g. Place mutual fund orders, if applicable, within three (3) business days of the receipt of both, a deferral listing and check, in accordance with the latest written instructions on file with GREAT WESTERN.
 - h. Provide YTD Deferral Report on an annual basis.
5. RECORD KEEPING AND REPORTS: GREAT WESTERN agrees to furnish AGENCY, no later than twenty (20) days following the end of each month and each quarter a report regarding the status of the PLAN containing the following information:
- a. Each participant's name
 - b. Each participant's social Security Number
 - c. Each participant's sub-account number
 - d. Deposits credited to each sub-account during the period
 - e. Withdrawals from each sub-account during the period
 - f. Interest/Earnings credited to each sub-account during the period
 - g. Total value of each sub-account
 - h. Summary totals of the PLAN

NOTE: Annuity transactions will not appear on the monthly/quarterly reports and quarterly statements issued by Great Western. The AGENCY and participants will

receive reports and statements from the insurance company.

GREAT WESTERN agrees to provide quarterly Statements to participants in the PLAN, no later than twenty (20) days following the end of each calendar quarter. Each statement shall identify the transactions which have occurred in the participant's sub-account at the beginning and the end of the preceding quarter.

GREAT WESTERN agrees to maintain the records necessary to produce the above mentioned reports, and agrees that all records shall be the property of AGENCY and that, in the event this Agreement is terminated for any reason, GREAT WESTERN will provide AGENCY a copy of such records, in hard copy or such other form as mutually agreed upon between GREAT WESTERN and AGENCY, within ninety (90) days after the effective date of termination. AGENCY agrees that all related computer tapes, discs and programs shall remain the property of GREAT WESTERN.

GREAT WESTERN agrees that all information supplied to and all work processed or completed by GREAT WESTERN shall be held to be confidential and will not be disclosed to anyone other than AGENCY except as required by law.

6. DISTRIBUTIONS: Upon receipt of authorized written instructions from AGENCY, in such form and with such authorization as mutually agreed upon by GREAT WESTERN and AGENCY, GREAT WESTERN agrees to process the payment of benefits to participants and beneficiaries in accordance with PLAN. Distributions shall be made once a month, on the seventh (7th) calendar day before the last day of the month. If that day is a Saturday, Sunday or Holiday, distributions shall be made on the next business day. Initial distribution requests received by GREAT WESTERN, at its operations office in Northridge, on and after the sixteenth (16th) calendar day of a month will be processed the following month. If applicable, the distribution of funds resulting from the liquidation of mutual fund shares will be made on the next distribution date which falls at least five (5) business days after the receipt of such funds by GREAT WESTERN. The above notwithstanding, GREAT WESTERN will cooperate with AGENCY to not unreasonably delay distribution requests in conjunction with "emergency withdrawals", as defined in the PLAN.

GREAT WESTERN agrees to withhold appropriate Federal and State income taxes, according to instructions set forth on form W-4 completed by the participant, to remit such withholdings to proper taxing authorities, and to issue net funds to participant(s) or beneficiary(ies) in accordance with instructions on the Distribution Request Form. GREAT WESTERN

agrees to perform required monthly, quarterly and annual reporting of withholdings to appropriate taxing authorities. GREAT WESTERN agrees to issue appropriate annual wage and tax statements to those participants and beneficiaries who received distribution(s) during the preceding year and to retain a copy of such information on file for the period required by law. GREAT WESTERN agrees to provide AGENCY a monthly report of all disbursements made during the previous month.

7. **INVESTMENT VEHICLES:** GREAT WESTERN agrees to provide the herein described services for AGENCY with the following investment vehicles.

A. Great Western Bank Indexed Account ("GWBIA").

The investment vehicle identified as GWBIA shall be savings accounts with GREAT WESTERN. Each such account shall be subject to rules, regulations and statutes to which GREAT WESTERN is subject, as promulgated by the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and other such regulatory authorities.

GREAT WESTERN agrees to accept PLAN funds for investment in GWBIA. PLAN funds will earn interest by whichever of the following methods results in the highest rate payable:

- (1) The rate of interest for all funds received during the period of April 1, 1991 through December 31, 1991 of the contract term shall yield the over-the-counter annualized yield quotation for the five year United States Government Treasury Note, determined by reference to representative yields reported in the Wall Street Journal on the last business day of each calendar quarter. This effective annualized yield will be guaranteed for the succeeding calendar quarter regardless of any subsequent change in the five year United States Treasury Note yield.
- (2) The rate of interest for all funds received during the period of January 1, 1992 through March 31, 1996 of the contract term shall be the annualized yield obtained from the use of the over-the-counter rate quotation for the 90 Day United States Government Treasury Bill plus Twenty-five (25) basis points, in effect on the last business day of each calendar quarter. This effective annualized yield will be guaranteed for the succeeding calendar quarter regardless of any subsequent change in the 90 Day United States Treasury Bill yield.

- (3) Such other yield as declared by Great Western and shall not be lower than A.(1) above.

Interest will accrue daily, using the 365/360 day method, will be credited monthly, on the last day of the month, and will be automatically reinvested to allow for the monthly compounding.

B. GREAT WESTERN BANK CERTIFICATE OF DEPOSIT (GWBCD)

Great Western will also make available one, two, three, four and five year certificates of deposit (CD) whose yields are indexed to representative, effective annual yields on one, two, three, four and five year United States Government Treasury Notes. For example, a one year CD will have a yield indexed to the one year Treasury Note; a two year CD will have a yield indexed to the two year Treasury Note, etc.

In each case, the effective annualized yields for the one, two, three, four and five year Treasury Notes will be determined by reference to representative yields reported in the Wall Street Journal on the last business day of the calendar quarter. This yield will become the effective annualized yield of the GWBCD for the following Quarter.

Interest will accrue daily, using the 365/360 day method, will be credited monthly, on the last day of the month, and will be automatically reinvested to allow for monthly compounding.

Other guidelines are as follows:

1. One Year CD: \$1,000 minimum deposit, 90 day interest penalty for early liquidation (separation from service, plan-to-plan transfers or hardship excluded)
2. Two - Five Year CD: \$1,000 minimum deposit, 180 day interest penalty for early liquidation (separation from service, plan-to-plan transfers or hardship excluded)
3. Participants may invest in no more than four (4) CD's per year.
4. Lump Sum transfers only.

Plan funds invested in the GWBIA or GWBCD options are backed by the full faith and credit of the U.S. Government and are also insured by the Federal Deposit

Insurance Corporation, an agency of the Federal Government, up to \$100,000 per participant. Great Western will collateralize any amounts invested in the GWBIA and GWBCD in excess of FDIC insurance limits by depositing first deeds of trust on suitable residential property (i.e. one to four unit) with the Federal Home Loan Bank in San Francisco. The unpaid outstanding principal balance of the collateral is adjusted quarterly, and shall in the aggregate, at all times equal or exceed one hundred fifty percent (150%) of the amount of plan funds invested in the GWBIA and GWBCD in excess of FDIC limits.

C. Other investment vehicles which will be provided to the PLAN are described on the attached Schedule 1.

- (1) If applicable, PLAN funds invested in mutual fund options will utilize Great Western Financial Securities Corporation, a wholly owned subsidiary of Great Western Financial Corporation, as the Broker/Dealer for such transactions.
- (2) If applicable, Single Premium Immediate Annuities and other annuity products purchased by AGENCY pursuant to PLAN will be issued and guaranteed by Great Western Insurance Company, a wholly owned subsidiary of Great Western Financial Corporation, or such other life insurance company selected by Great Western.
- (3) Certain investment vehicles may impose sales charges. These sales charges will be disclosed in the prospectus or insurance contract, whichever is applicable.
- (4) GREAT WESTERN may, from time to time, offer to perform the herein described services for additional and/or alternate investment vehicles upon written agreement between GREAT WESTERN and AGENCY.

8. ENROLLMENT SERVICES: GREAT WESTERN agrees to process, or arrange to have processed, the enrollment of eligible employees who elect to participate in the PLAN. GREAT WESTERN agrees to provide informational and promotional material pursuant to the PLAN for distribution to employees of AGENCY, subject to approval of such material by AGENCY, such approval not to be unreasonably withheld. AGENCY agrees to allow and facilitate the periodic distribution of such material to employees.

GREAT WESTERN agrees to conduct, or arrange to have conducted, group presentations periodically for employees of AGENCY. to explain the PLAN. AGENCY agrees to facilitate the scheduling of such presentations and to provide facilities at which satisfactory attendance can be expected. GREAT WESTERN agrees that qualified personnel will be made available periodically to discuss the PLAN with individual employees of AGENCY.

9. **TITLE AND OWNERSHIP:** AGENCY shall at all times be the unrestricted owner of all PLAN assets, in accordance with IRC 457 provisions.

10. **PRIVITY OF CONTRACT:** GREAT WESTERN shall have no privity of contract with PLAN participants. GREAT WESTERN agrees not to accept or honor instructions which may be submitted by participants without written authorization from AGENCY.

11. **FEES AND EXPENSES:** GREAT WESTERN, in consideration of its services under the Plan, shall receive an annual administration fee of twelve dollars (\$12.00) per participant in the Plan. GREAT WESTERN will deduct the administration fee from each Participant sub-account in four equal installments of three dollars (\$3.00) at the end of each calendar quarter. GREAT WESTERN requires each Participant to maintain a cash balance in the GWBIA sufficient to cover administration fees. No fees will be assessed until such time as the Agreement may be funded.

12. **TRANSFERS:**

a. From the GWBIA To Other Great Western Investment Options

GREAT WESTERN will allow the transfer of funds in participant sub-accounts from the GWBIA to other investment options provided in the plan Agreement.

Such transfer will be allowed only upon express written agreement between AGENCY, GREAT WESTERN and the applicable investment option and will be allowed throughout the term of this Agreement. Funds will be transferred from the GWBIA to the other investment option, within three (3) business days of receipt of written authorization from the AGENCY by GREAT WESTERN at its office in Northridge, California.

b. From other Great Western Investment Options to GWBIA

GREAT WESTERN will allow the transfer of funds in participant sub-accounts from other GREAT WESTERN investment options provided in the plan Agreement, (i.e. mutual funds and annuities) to the GWBIA. Such transfers

will be allowed only upon express written agreement between AGENCY, GREAT WESTERN and the applicable investment option and will be allowed throughout the term of this Agreement. The transfer will be initiated within three (3) business days of receipt of written authorization from the AGENCY by GREAT WESTERN at its office in Northridge, California. If a transfer involves the liquidation of mutual fund shares, the proceeds from the sale of said mutual fund shares, will be credited to the GWBIA upon receipt of the funds by GREAT WESTERN from the investment company.

C. From Great Western to Other Investment Providers

GREAT WESTERN will allow the transfer of funds in participant sub-accounts to other investment providers. Such transfers will be allowed only upon express written agreement between AGENCY and GREAT WESTERN and will be allowed throughout the term of this Agreement.

Transfers will be processed in accordance with the provisions of number 11., paragraph 2. (Fees and Expenses)

13. **CIRCUMSTANCES EXCUSING PERFORMANCE:** The performance by the parties to this AGREEMENT is subject to force majeure and shall be excused for the time and to the extent that it is prevented by fires, power failures, strikes, acts of God, restrictions imposed by government or governmental agency, or delays beyond the delayed party's control. Failures of or defaults of participants, employers, or investment vehicles shall excuse performance by GREAT WESTERN of the duties affected thereby to the extent and for the time that it is prevented from performing them.
14. **INDEMNIFICATION:** Each party to this Agreement shall indemnify and hold the other party, its officers, agents and employees harmless from all damages, losses, costs and expenses, including attorney fees, amounts paid in settlement, judgments, and any other legal expense, arising from the negligence or wrongful conduct, whether negligent or intentional, of the indemnifying party or of its officers, employees or contractors. GREAT WESTERN shall not be liable for investment performance, except as expressly provided in this Agreement.
15. **ASSIGNABILITY:** No party to this Agreement shall assign its rights or delegate its duties or responsibilities under this Agreement, or sub-contract any of its responsibilities hereunder, without the prior written approval of the other party. Such approval shall not be unreasonably withheld.

Unless otherwise expressly stated in such approval by a party, any such assignment or delegation shall not relieve the assignor or delegator of any of its duties and obligations under this Agreement.

16. **PARTIES BOUND:** This Agreement and the provisions thereof shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties.

17. **APPLICABLE LAW:** This Agreement shall be construed in accordance with the laws operating within the State of California.

18. **UNLAWFUL PROVISIONS:** In the event any provisions of this Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Agreement, but the same shall be construed and enforced as if said illegal or invalid provision had never been inserted herein. Notwithstanding anything contained herein to the contrary, no party to this Agreement will be required to perform or render any services hereunder, the performance or rendition of which would be in violation of any laws relating thereto.

19. **MODIFICATION:** This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to California Code of Civil Procedures Section 1856 or its successor(s). No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

20. **NOTICES:** All notices and demands to be given under this Agreement by one party to another shall be given by certified or United States mail, addressed to the party to be notified or upon whom a demand is being made, at the respective addresses set forth in this Agreement or such other place as either party may, from time to time, designate in writing to the other party. Notice shall be deemed to be effective on the day the notice is received by GREAT WESTERN or the AGENCY.

If to GREAT WESTERN

GREAT WESTERN BANK
Deferred compensation Department
P.O. Box 6350
Northridge, California 91328

If to **AGENCY**

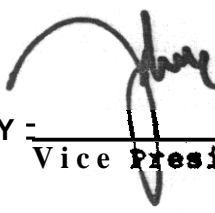
CITY OF LODI
city Hall
221 W. Pine Street
Lodi, CA 95241-1910
Attn: Jerry Glenn

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the date first above written.

AGENCY

GREAT WESTERN

BY MAYOR:

BY  _____
Vice President

BY CITY CLERK:

DATE SIGNED: 1.11.92

DATE SIGNED: _____

SCHEDULE 1

Pursuant to Section 7 of this Agreement, other investment vehicles available under this Agreement are as follows:

AMERICAN MUTUAL FUNDS

Investmont Company of America (ICA)
Growth Fund of America (GFA)
Bond Fund of America (BFA)
Income Fund of America (IFA)

TWENTIETH CENTURY INVESTORS, INC.

Select Fund
Growth Fund
Ultra Fund
Balanced Fund

FIDELITY INVESTMENTS

Fidelity Magellan
Fidelity Equity-Income
Fidelity Retirement Growth
Fidelity Puritan
Fidelity Overseas

GREAT WESTERN SIERRA TRUST FUNDS

Global Money Market Fund
U.S. Government Honey Market Fund
Growth and Income Fund
U.S. Government Securities Fund
Strategic International Fund

METROPOLITAN - ANNUITIES

Single Premium Immediate Annuity

CITY COUNCIL

JAMES W. PINKERTON, Mayor
PHILLIP A. PENNINO
Mayor Pro Tempore
DAVID M. HINCHMAN
JACK A. SIEGLOCK
JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 334-5634
FAX (209) 333-6795

THOMAS A. PETERSON
City Manager
ALICE M. REIMCHE
City Clerk
BOB McNATT
City Attorney

February 10, 1992

Great Western
Attention: Linda Rose
1300 21st Street
Sacramento, CA 95814

Dear Linda:

Enclosed please find fully executed copy of agreement Deferred Compensation - City of Lodi which was approved by the Lodi City Council at its meeting of February 5, 1992.

Section 14 entitled, "Indemnification" has been changed pursuant to a conversation between our legal staffs.

If you have any questions, please do not hesitate to call this office.

Very truly yours,


Alice M. Reimche
City Clerk

AMR/jmp

Enclosure

P.S. Also enclosed is the agreement FICA - Substitute Deferred Compensation Plan for your files.